



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON 25, D. C.

DPD-7219-60

#701

REPLY TO:

Auditor General
Comptroller, USAF
Eastern District
Liaison Office
P. O. Box 8155,
Washington, D. C.

27 September 1960

SUBJECT: Report on Review of Proposed Hourly Rates and Pricing Formula
Lockheed Aircraft Corporation
Burbank, California
Contracts SP-1917, SP-1918 and SC-61
Periods as Indicated Below

TO : Contracting Officer

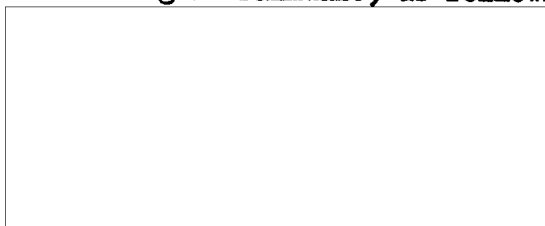
REF : DPD-6748-60 and DPD-6819-60

1. In accordance with referenced requests, reviews have been made of the following proposals made by the subject contractor:

- a. DPD-6606-60 - Proposed Pricing Formula under Contract SP-1917 for the period 1 July 1960 thru 31 December 1960.
- * b. DPD-6605-60 - Proposed Hourly Rates under Contract SP-1918 for the period 27 June 1960 thru 25 December 1960.
- c. DPD-6819-60 - Proposed Rates for new Contract No. SC-61 for the period 1 September 1960 thru 30 June 1961.

2. All of the rates and the formula set forth above have been examined by the auditor and are considered reasonable.

3. According to information received from the contractor, two additional rates will be proposed for inclusion in Contract No. SC-61, to cover employees residing in Palmdale, as follows:



input #13

Hourly Rates

	<u>Crew Member</u>	<u>Crew Chief</u>
Basic labor rate	\$3.16	\$3.36
Overhead 45%	<u>1.42</u>	<u>1.51</u>
	4.58	4.87
Profit 9 1/2%	<u>.44</u>	<u>.46</u>
Billing rates	<u>\$5.02</u>	<u>\$5.33</u>

It will be noted that the contractor has appropriately excluded the 15% field pay differential from these rates.

Audit Liaison Officer
Eastern District
Auditor General

SECRET

DPD-6748-60

7 September 1960

MEMORANDUM FOR: Audit Liaison Officer

**SUBJECT : Contracts Nos. SP-1917 & SP-1918
with Lockheed Aircraft Company**


1. We are enclosing copies 2 and 3 of the following documents.

DPD-6605-60 - Hourly Rates - SP-1918
DPD-6606-60 - Pricing Formula - SP-1917

These proposals cover the current six month period.

2. Your comments and/or approvals of these approvals are requested.

SECRET


Contracting Officer

DPD-DD  :rpj (6-9-60)

Distribution:

1-B. 

1- "

1-GB/DPD-SP-1917 w/cy 1 DPD-6606/60

1- " " -SP-1918 w/cy 1 DPD-6605-60

1-RI/DPD

DPD-6606-60
COPY 7 OF 4

August 25, 1960

To: Contracting Officer, SP-1917

Subject: Proposed Pricing Formula for the
period 1 July 1960 thru 31 December 1960

As required we submit below the proposed pricing formula to be used in pricing calls during the period 1 July 1960 thru 31 December 1960. The rates for labor, overhead, etc., used herein are the same as those proposed for Contract SP-1918 per our letter dated 25 August 1960. The pricing rates proposed are as follows:

Labor	Contract Rates
Design Engineer	\$5.35
Shop	3.17
Overhead	3.05
C & A Expense	.83
Profit	9 $\frac{1}{2}$ %

We have not included in the above proposed rates, as we have heretofore, labor categories normally used at a test location. If there should be such a requirement (there has been no such requirement to date), we would apply for the use of the appropriate rate(s) set forth in Appendix I, Contract SP-1918 for the period under consideration. To the extent that call work is performed away from our plant, our proposed price exhibits will also include, in addition to the rates referred to in the previous sentence, appropriate amounts for transportation, per diem, flight bonus and overtime premium on direct labor hours, in accordance with Contractor's established policies.

If you concur with the foregoing proposed pricing formula for the period set forth, your early approval will be appreciated.

Very truly yours,

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cc: